

**House Commerce Committee**

**Amendment No. 1 to HB2983**

**Rhinehart  
Signature of Sponsor**

**FILED**

Date \_\_\_\_\_

Time \_\_\_\_\_

Clerk \_\_\_\_\_

Comm. Amdt. \_\_\_\_\_

**AMEND Senate Bill No. 2554\***

**House Bill No. 2983**

by deleting all of the language after the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Title 56, Chapter 7, Part 11, is amended by adding the following language as a new, appropriately designated section:

Section 56-7-11\_\_\_. When any person shall, as lienholder, secured party, assignee, or otherwise, possess or have any vehicle insurance policy made payable to such person, or other person as that person's interest may appear, then such insurance as to the interest of the lienholder, secured party, assignee or other person therein named shall not be invalidated by an act or neglect of the owner of the vehicle so insured, nor by any foreclosure or other proceedings or notice of sale relating to the vehicle, nor by change in title or ownership of the vehicle; provided, that in case the owner neglects to pay any premium due under such policy, the lienholder, secured party, assignee, or other person shall on demand, pay same; and provided further, that the lienholder, secured party, assignee, or other such person shall notify the insurance company of any change of ownership or increase of hazard which shall come to the knowledge of the lienholder, secured party, assignee, or other such person, and, unless permitted by the policy, it shall be noted thereon, and the lienholder, secured party, assignee, or other person shall, on demand, pay the premium for such increased hazard for the term of the use thereof, or otherwise the policy shall be null and void; and provided further, that in the event the insurer concludes to cancel its

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policy under its terms, then ten (10) days' notice of such determination shall be given to the lienholder, secured party, assignee, or other person so interested.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.